



STATE OF INDIANA
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October 16, 2013

Board of Directors
Portage Child Care Center
6078 Robbins Road
Portage, IN 46368

We have reviewed the audit report prepared by E/J Financial & Computer Services, Inc., Independent Public Accountants, for the period January 1, 2009 to December 31, 2009. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Portage Child Care Center, as of December 31, 2009, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

**Portage
Child Care
Center**



6078 Robbins Rd. · Portage, IN 46368
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AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

***E/J FINANCIAL
& Computer Services, Inc.***

E/J FINANCIAL & Computer Services Inc.

Independent Auditor's Report

Board of Directors and Stockholders
Portage Child Care Center
6078 Robbins Road
Portage, IN 46368

We have audited the accompanying balance sheets of Portage Child Care Center as of December 31, 2009 and 2008 and the related statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Please refer to our separate report concerning compliance with laws and regulations and internal control over financial reporting. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Portage Child Care Center as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

E/J Financial & Computer Services, Inc.

September 24, 2010

**Portage Child Care Center
Balance Sheet
As of December 31,**

	2009	2008
Assets		
Cash and Cash Equivalents	\$22,784	\$57,146
Available for Sale Securities	160,422	129,236
Property and Equipment (Net)	81,728	86,526
Other Assets	19,214	19,613
Total Assets	\$284,147	\$292,521

Liabilities and Owners Equity

Current Liabilities	\$3,790	\$4,727
Common Stock	1,000	1,000
Unrealized Gain/Loss on Securities Available for Sale	49,214	18,029
Retained Earnings	230,143	268,766
Total Liabilities and Owners Equity	\$284,147	\$292,521

See accompanying notes.

**Portage Child Care Center
Statement of Income and Retained Earnings
For the Year Ended December 31,**

	2009	2008
Revenue from Operations	\$432,756	\$450,086
Operating Expenses:		
Compensation and Benefits	280,498	279,925
Operations	148,996	132,975
Total Operating Expenses	429,494	412,900
Interest and Dividends Income	9,393	7,839
Income Tax Expense	2,461	9,793
Net Income	10,194	35,232
Retained Earnings, beginning of the year	268,766	269,534
Dividends Paid	(48,816)	(36,000)
Retained Earnings, end of the year	\$230,143	\$268,766

See accompanying notes.

**Portage Child Care Center
Statement of Cash Flows
For the Year Ended December 31,**

	2009	2008
Cash Flows from Operating Activities:		
Net Income	\$10,194	\$35,232
Depreciation and Amortization	4,178	8,102
Changes in:		
Other Assets	399	(651)
Current Liabilities	(937)	(8,444)
Net Cash from operating activities	13,834	34,238
Cash Flows from Investing Activities:		
Purchases of Property and Equipment		(6,300)
Dividends paid to Owner	(48,816)	(36,000)
Net Cash from investing activities	(48,816)	(42,300)
Net change in cash	(34,982)	(8,062)
Cash and cash equivalents, beginning of the year	57,146	65,208.00
Cash and cash equivalents, end of the year	\$22,164	\$57,146

See accompanying notes.

**Portage Child Care Center
Notes to Financial Statements**

1. **Nature of Operations**

Portage Child Care Center is a day care facility, where children are supervised while their parents or guardians are at work. The ages of the children range from as early as 2 years old to as old as 12 years old. As a rule, Portage Child Care Center doesn't usually get many older children, with the oldest children being about 8 years old. Portage Child Care Center is located in Portage, IN and it's customers are from the surrounding communities.

2. **Summary of Significant Accounting Policies**

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, certificates of deposit, savings accounts and cash in the operating checking account.

Available for Sale Securities

The available for sale securities consist of equity securities purchased through a local securities broker.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation.

3. **Investments**

Investments at December 31 are categorized as available for sale securities and are summarized as follows:

	<u>Purchase Price</u>	<u>2009 Fair Value</u>	<u>2008 Fair Value</u>
NIPSCO Stock	59,200.00	47,104.00	35,104.00
Amoco Stock	50,025.00	107,658.72	89,600.58
Gymboree Stock	1,982.50	5,658.90	4,531.80
Total	111,207.50	160,421.62	129,236.38

4. **Property and Equipment**

Property and Equipment at December 31 is as follows:

	<u>2009</u>	<u>2008</u>
Land	17,000.00	17,000.00
Vehicles	46,456.50	46,456.50
Equipment	27,724.52	27,724.52
Building	135,749.71	135,749.71
Building Improvements	69,171.95	62,871.95
Lot	<u>3,973.85</u>	<u>3,973.85</u>
	300,076.53	300,076.53
Less accumulated depreciation	<u>218,348.96</u>	<u>213,550.96</u>
Total Property and Equipment, net	81,727.57	86,525.57

5. **State and local grant awards**

During 2009 and 2008, Portage Child Care Center received the following awards from various agencies in the State of Indiana:

	<u>2009</u>	<u>2008</u>
Indiana Family and Social Services Administration, Division of Family Resources/ Bureau of Child Care	166,517.40	184,670.31
Indiana Department of Education	46,349.40	47,194.53
Total Government Funding	212,866.80	231,864.84